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ABSTRACT

Angered by the continued worsening of public school quality despite 1980s reform efforts and growing business-education partnerships, many American business leaders claim that money and concern are not enough. Boosting teacher salaries and reducing class size have yielded poor results. Business's general dismay with public school performance has been aggravated by the rising cost of employee training and the difficulty of finding qualified employees, a problem which affects American companies' competitiveness. To mobilize their communities, business leaders must arm themselves with data concerning education's failures and challenge the "spend more" arguments and other commonly accepted educational reform myths. Examination of recent National Assessment of Educational Progress results disclose deficiencies in reading, math, and science. Scholastic Aptitude Test scores show a significant decline since 1963. Myths concerning the necessity for increased spending, big government programs, and early childhood education for poor children; the national dropout rate; traditional teacher certification; and school-based management as a panacea are explained. Since competition is the key to success in the marketplace, corporate executives look to school choice as a way to break up the public school monopoly and allow consumers greater choices. Businesses should insist on educational choice as a condition of their monetary investment in the schools. (MLH)

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# A BUSINESSMAN'S GUIDE TO THE EDUCATION REFORM DEBATE

## INTRODUCTION

American business understands well that the nation's public schools are like a money-losing industrial giant that cannot produce a product that satisfies its customers. Leaders of America's major companies understand too that the nation's schools must improve if the United States is to remain competitive in world markets.

But there is little consensus in corporate America about what actually needs to be done to improve schools. The 1983 landmark report by the National Commission on Excellence in Education, *A Nation at Risk*, highlighted the "rising tide of mediocrity" in American education and galvanized the business community. Since then, many firms have tried to make a difference. Between 1983 and 1988, for instance, the number of business-education "partnerships" soared from approximately 40,000 to over 140,000.[1] But the problems of America's schools continue to get worse.

**Basic Restructuring Needed.** A new wave of business leaders now argue that money and concern are not enough. These leaders claim correctly that just as a failing industrial giant needs basic restructuring if it is to turn around, American public schools need fundamental reform. Says California Business Roundtable

1 Rose G. Foltz, "Big Business Is Backing You," *Learning*, February 1990, p. 65.

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member Jerry Hume: "[B]usiness s uld spend its funds on insuring that the schools restructure, and stop tinkering with superficial 'partnerships.'"[2]

Business Leaders recognize that new solutions must be found to change the schools. Adds RJR Nabisco Corporation CEO Louis Gerstner: "No more rewards for predicting rain, prizes only for building arks."

**Dominated by Myths.** Business leaders like Gerstner recognize that a series of myths dominated the education reform debate in the 1980s. One was that more money – a significant part of it provided by business – would mean better schools. Another was that higher teacher salaries and smaller classes would improve student achievement. As such, corporate America opened its checkbook. International Business Machines, Inc., for example, spent over $42 million on education projects in 1988 alone. American Telephone and Telegraph will spend an estimated $18 million this school year and the Chevron Corporation an estimated $9 million.[3] Yet convincing evidence indicates that spending levels have very little to do with student achievement.

Teachers, meanwhile, convinced many parents and business leaders that a boost in salaries was needed to end an alleged teacher shortage. Yet studies uncover a surplus of excellent individuals willing to teach if current certification procedures are reformed – or as a businessman might say, the problem is an artificial bottleneck in supply, not an inadequate pay scale.

As a result of the past decade's efforts, classes have never been smaller and per-pupil spending and teacher salaries have never been higher – and student performance has never been lower.

**Business Dismay.** This higher spending without results understandably angers corporate leaders. Says Chevron USA President Willis Price: "The system is bad. Sixty percent of the money spent on education never sees the classrooms. [We must] generate the creative juices of the people who are supposed to have the discretion to teach. American industry has got to join with education, parents and government to institute drastic, systemic reorganization" of the schools. A 1989 poll sponsored by the Allstate Insurance Company finds that business executives give American public education a "C.-"[4]

Business' general dismay with the public schools has been aggravated by the staggering and increasing cost of employee training, much of it remedial in na-

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2 See Jeanne Allen, ed., "Can Business Save Education? Strategies for the 1990s," *Heritage Lecture* No. 193, February 23, 1990.

3 Foltz, *op. cit.*, p. 65.

4 Allstate Insurance Company and *Fortune* Magazine, "Business Response to Education in America: A Study Conducted Among the Largest U.S. Companies," 1989, p. 4.

ture. In 1988, estimates the American Society for Training and Development, an Alexandria, Virginia-based group, business spent $30 billion on employee training and re-training.[5] Much of this cost to business is the direct result of the failure of the public schools.

**Daunting Challenge.** The rising cost of employee training threatens the competitiveness of many American companies and finding qualified employees has become a daunting challenge for even the largest employers. Citicorp Savings Bank of Illinois, a subsidiary of Citibank of New York, for example, each week rejects 840 of every 1,000 applicants for entry-level teller and clerical positions. The reason: applicants cannot complete the application forms.[6]

If businessmen frustrated with the school system are to make a significant difference and use their influence wisely, they must do in education what they would do in business: evaluate the cause of the problem, refuse to be misled by myths and spurious solutions offered by the failing managers, and instead tackle the managerial and structural design flaws that cause poor performance.

Some executives are doing just this. California's Hume, for instance, has joined his state Business Roundtable colleagues in calling on their state legislature to create a new system of results-based assessment and accountability through local, parent-led school councils.

Illinois businessmen helped convince their legislature to adopt drastic reform of the Chicago public schools, sweeping away the centralized and inept school bureaucracy and instituting local control through parent-led school councils. The City Club of Chicago and the Illinois Manufacturers Association now are working on legislative initiatives to empower Chicago parents further by allowing them a choice among these self-run schools.

In Ohio and Minnesota, business efforts were a pivotal force in creating broad public school choice programs for their communities. Last year, Michigan's State Chamber of Commerce, led by James Barrett, defeated a tax increase initiative that would have funneled more money into the schools, without holding schools accountable for results.

**Armed with Data.** Business leaders can make change occur by mobilizing their local communities. But to do so, business leaders must arm themselves with the data about education's failure. They must be ready to challenge the "spend more" arguments and the other commonly accepted myths about education reform.

Most important, business leaders must recognize in the education structure what they would in a failing sector of the economy: An industry that is an uncompetitive monopoly, in which customers have no right to choose who will supply

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5 Kirkland Ropp, "A Reform Movement for Education," *Personnel Administrator*, August 1989, p. 39.

6 Patrick J. Keleher, Jr., "Business Leadership and Education Reform: The Next Frontier," *Heritage Lecture* No. 257, April 28, 1990, p. 1.

them, and in which tenured managers and unions determine who will work in each firm, will be an industry with angry customers and an expensive, low quality product. This is the real problem of America's schools.

## HOW THE SYSTEM FAILS AMERICA'S STUDENTS

Nearly every measure of student performance indicates that students today know less than they did a generation ago. In 1969, the National Assessment of Education Progress (NAEP) was created by Congress to assess the performance of 9-, 13-, and 17-year-olds in ten subject areas. During the 1970s achievement in all three age groups dropped dramatically. While there have been slight improvements in the past few years, the most recent round of NAEP testing, conducted in 1986 and 1988, reveals continuing serious deficiencies.

Examples:

- Almost 60 percent of high school seniors were unable to understand and summarize relatively complicated reading material.
- Almost 94 percent of high school seniors were unable to solve multi-step math problems or use basic algebra.
- Over 50 percent of high school seniors were unable to understand specific government structures and functions; 43 percent did not know that presidential candidates are nominated by party conventions.
- Over one-quarter of all 13 year-olds were unable to add, subtract, multiply, and divide using whole numbers or solve one-step math problems.[7]

Concludes the NAEP study: "[s]tudents' current achievement levels are far below those that might indicate competency in challenging subject matter in English, mathematics, science, history and geography."[8]

A separate test of high school juniors finds that they lack basic understanding of history and literature. In the first National Assessment of History and Literature, conducted by NAEP in 1986, high schools juniors, age 17, correctly answered only 54.5 percent of the history and 51.8 percent of the literature questions (a score below 60 percent is failing). The students failed in 20 of 29 subject areas.[9]

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7 Ina V.S. Mullis, Eugene H. Owen and Gary W. Phillips, *Accelerating Academic Achievement: A Summary of Findings from 20 Years of NAEP*, U.S. Department of Education (Washington, D.C.: Office of Educational Research and Improvement, September 1990), pp. 14-25.

8 *Ibid.*, p. 9.

9 Diane Ravitch and Chester E. Finn, Jr., *What Do Our 17 Year-Olds Know? A Report on the First National Assessment of History and Literature* (New York: Harper and Row, 1987), pp. 1 and 261-262.

Examples:

- 68 percent could not place the Civil War in the correct half-century; 26 percent believed it occurred before 1800.
- 47 percent believe that Karl Marx's rule "from each according to his ability, to each according to his need" is from the U.S. Constitution.[10]

Conclude educational researchers Diane Ravitch and Chester E. Finn, Jr.: "[i]f there were such a thing as a national report card for those studying American history and literature, then... this nationally representative sample of eleventh grade students earns failing marks in both subjects."[11]

Over the past three decades, average scores on the Scholastic Aptitude Test (SAT) have fallen nearly 100 points. Between 1969 and 1979, average combined scores fell 62 points. Although there was some improvement in the early 1980s, declining scores in recent years have nearly eliminated those gains and remain well below levels achieved in the early 1960s.

Examples:

- In 1963, the year that SAT scores began to decline, the average combined score was 980 (of a possible 1600); in 1990 it was 900.
- Gains made on the verbal section between 1980 and 1986 have been eliminated by declining scores in the past four years. This year's average verbal score of 424 (of a possible 800) was unchanged from 1980 and seven points lower than its 1980s high of 431 in 1986.
- This year's average math score was 476 (of a possible 800), unchanged since 1987 and 26 points lower than the 1963 average of 502.[12]

American students also perform poorly on tests of math and science proficiency compared with students in other Western industrialized countries. On the 1988 International Assessment of Educational Progress, Americans had the lowest mean mathematics score and outperformed only students from Ireland and New Brunswick, Canada (French students) in science proficiency.[13]

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10 *Ibid.*, pp. 263-277.

11 *Ibid.*, p. 1.

12 Laurence T. Ogle and Nabeel Alsalam, *The Condition of Education 1990*, Volume 1, U.S. Department of Education, National Center for Education Statistics (Washington, D.C.: Office of Educational Research and Improvement, 1990), Table 1:9-1, p. 117. Scores for 1990 from *Education Daily*, Volume 23, Number 167, August 28, 1990, p. 1.

13 U.S. Department of Education, National Center for Education Statistics, *Digest of Education Statistics: 1989* (Washington, D.C.: Office of Educational Research and Improvement, December 1989), Table 347.

Despite such dismal scores on achievement tests, a majority of American students actually believe they are above average in academic ability. A 1989 survey of college freshmen, for example, found that 56 percent of all students entering post-secondary education rated their academic ability above average or in the highest 10 percent. Among those entering public universities, the number jumped to 75 percent.[14] It seems that at least the schools' emphasis in recent years on boosting the "self-esteem" of American students has been successful. Nearly three of four college professors in the U.S., by contrast, believe that today's college freshmen are seriously unprepared to handle college-level course work.

## HOW MYTHS HAVE DERAILED REAL REFORM

### Myth #1: Increased Spending Leads to Higher Performance

Increasing the level of education funding long has been advocated by those who insist that student achievement depends upon such factors as per-pupil spending, pupil-teacher ratios, and teacher salaries. Business efforts to improve education usually have accepted this premise, leading many firms to donate resources to compensate for perceived shortfalls in funding. These private sector resources total an estimated $40 billion annually.

In the past three decades, total government spending on public elementary and secondary education, in 1989 dollars, rose 183 percent, from $70 billion in 1960 to $198 billion in 1989.[15] During this period, per-pupil expenditures rose 148 percent in real terms, from $1,972 in 1960 to $4,890 in 1989.[16] During the 1980s alone spending increased 31 percent. The increase in education spending has helped reduced average class size by one-third, from 25.8 students per teacher in 1960 to 17.2 in 1989.[17]

Average teacher salaries, in 1989 dollars, have climbed 49 percent, from $20,909 in 1960 to $31,166 in 1989.[18] Paper qualifications also have climbed. The

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14 Alexander W. Astin, William S. Korn, and Ellyne R. Berz, *The American Freshman: National Norms for Fall 1989*, Cooperative Institutional Research Program (American Council on Education and the University of California at Los Angeles, December 1989), p. 46.

15 U.S. Department of Commerce, *Statistical Abstract of the United States: 1990* (Washington, D.C.: U.S. Census Bureau, January 1990), Table 208.

16 U.S. Department of Education, *Digest of Education Statistics: 1989*, *op. cit.*, Table 145. Data for 1989 from National Education Association, *Rankings of the States:1990*, Table H-11.

17 U.S. Department of Education, *Digest of Education Statistics:1989*, *op. cit.*, Table 56 and National Education Association, *Rankings of the States:1990*, *op. cit.*, Table C-6.

18 U.S. Department of Education, *Digest of Education Statistics:1989*, *op. cit.*, Table 66 and National Education Association, *op. cit.*, *Rankings of the States:1990*, Table C-12.

## DUCATION SPENDING AND RELATED VARIABLES
**(In constant 1989 dollars)**

| | 1960 | 1965 | 1970 | 1975 | 1980 | 1985 | 1989 |
|---|---|---|---|---|---|---|---|
| Total Spending on Public Elementary and Secondary Education (in Billions) | $70 | $110 | $138 | $159 | $155 | $172 | $199 |
| Average per-Pupil Expenditures | $1,569 | N/A | $2,605 | $3,144 | $3,418 | $3,998 | $4,980 |
| Average Class Size | 25.8 | 24.7 | 22.3 | 20.4 | 18.8 | 17.9 | 17.2 |
| Average Teacher Salaries | $20,909 | $25,480 | $27,539 | $26,812 | $24,026 | $27,188 | $31,166 |
| Percent of Teachers with More Than a Bachelor's Degree | 23.5% (1961) | 23.3% (1966) | 27.5% (1971) | 37.5% (1976) | 49.8% (1981) | 51.4% (1986) | N/A |

Sources: U.S. Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1990,* Table 208 and U.S. Department of Education, National Center for Education Statistics, *Digest of Education Statistics*: 1989, Tables 145,55,66, and 59. Data for 1989 from National Education Association *Rankings of the States:* 1990, Tables H-11, C-6, and C-12.

percentage of teachers with advanced degrees has more than doubled between 1961 and 1986, the most recent year for which data are available.[19]

As a result of this massive spending increase, American public school classes have never been smaller and teachers have never been better paid or educated. If these variables would have been correlated to student achievement, the past three decades clearly should have seen dramatic improvements. Yet, student achievement is at record lows.

**Assessing the Evidence.** Little of the record increase in education spending has gone to those areas that boost student achievement. A 1989 study by University of Rochester Economics Department Chairman Eric Hanushek analyzes 187 studies on those factors that conventional wisdom links to student achievement. Writes Hanushek: "More education, and more experience on the part of the teacher both cost more and are presumed to be beneficial; smaller classes (more teachers

19 U.S. Department of Education, *Digest of Education Statistics:1989, op. cit.*, Table 59.

per student) should also improve individual student learning. More spending in general, higher teacher salaries, better facilities and better administration should also lead to better student performance."[20]

Yet Hanushek finds no evidence supporting this. Of the 152 studies on class size effects, for example, only 14 show any positive relationship with better performance; some show a negative correlation. He also finds that no solid case exists for the "importance of added schooling for teachers." He adds: *"There is no strong or systematic relationship between school expenditures and student performance"* (emphasis in original), as the usual measures of potential school effectiveness have "little positive effect on student achievement."[21] Hanushek concludes that, "[s]chool reform discussions that begin with the premise that constraints on expenditures are the most serious roadblock to improved student performance are, at best, misguided."[22]

**Tracking Education Funds.** Two recent studies explain that the reason, in part, why record education spending does not boost student performance is that the bulk of education funds never reach the classroom. In a study released this August, Bruce S. Cooper, Professor of Education at Fordham University and doctoral candidate Robert Sarrel of the New York City Board of Education, track the allocation of funds to New York City's 116 public high schools. They find that of the average of $6,107 spent per pupil in 1989, only $1,972 actually reached the high school classroom. The rest was spent on central board "overhead" and "administration" within the high schools themselves. The study finds that of the 119,258 people employed by the board in 1989, only 64,707 (54 percent) were actually "teachers" – and some of these had significant non-teaching duties such as staff and curriculum development.[23]

A similar study conducted by Michael Fischer, an elementary school teacher in the Milwaukee Public Schools, finds that of the $6,451 spent per pupil in 1989, only 26 percent actually makes it to the elementary classroom. The remainder is split among "operating costs," "program accounts," and administrating the schools themselves. The study also finds that instructional spending is declining as a share of the Milwaukee Public Schools' budget. In 1968 instructional spending accounted for 70 percent of the budget; in 1989 it was 45 percent.[24]

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20 Eric A. Hanushek, "The Impact of Differential Expenditures on School Performance," *Educational Researcher*, May 1989, p. 47. See also: Hanushek, "The Economics of Schooling: Production and Efficiency in Public Schools," *Journal of Economic Literature*, September 1986, pp. 1141-1177.

21 *Ibid.*, p. 47.

22 *Ibid.*, p. 50.

23 Dr. Bruce S. Cooper and Robert Sarrel, *Managing for School Efficiency and Effectiveness: It Can Be Done in New York City*, University of Chicago Department of Education, August 1990, pp. 4-7.

24 Michael Fischer, *Fiscal Accountability in Milwaukee's Public Elementary Schools: Where Does the Money Go?*, Wisconsin Policy Research Institute Report, Volume 3, Number 4, September 1990, pp. 1 and 19.

**Primary Influences.** A study published this June by the Brookings Institution, a Washington, D.C.-based research organization, also concludes that measures of resources devoted to education, such as per-pupil spending and teacher salaries, have little or no correlation with student achievement. In *Politics, Markets and America's Schools*, authors John E. Chubb, a Brookings senior fellow, and Terry M. Moe, a Stanford University Political Scientist, conclude that student achievement is influenced by three primary factors: student aptitude, school organization, and family background.[25]

Of these primary influences, it is only recently that the organizational structure of American schools has become the focus of reform efforts. According to Chubb and Moe, only a student's initial ability, or aptitude, is more important than a school's organization in determining the level of student achievement. The Brookings study then concludes that "the organizational structure of America's school is a roadblock to reform."

To measure the influence of school organization on student achievement, the Brookings study classifies schools as "effective" or "ineffective" depending on the goals, leadership, personnel, and emphasis on academics and discipline. The study finds that effective schools are characterized by clearly articulated goals; principals who have a "clear vision" and are knowledgeable about teaching and education; teachers who are treated as professionals and participate actively in the decisions affecting school policy; and by students who take academically challenging course work and respect the school's disciplinary authority.[26]

Ineffective schools lack clear goals and tend to have principals who are interested mainly in moving up the administrative ladder. While nearly 30 percent of all high performance schools rate academic excellence as their top priority, only 12 percent of low performance schools do so.[27] Because of the significant impact high expectations have on student achievement, this is a significant distinction.

Chubb and Moe argue that until the bureaucratic institutions governing American schools are recognized as the fundamental problem, it is unlikely that educational quality will improve. They note that the education establishment is a roadblock to reform because boards of education and elected officials are inherently resistant to change. They are apparently also oblivious of any problem. In a recent poll, school administrators gave the schools a grade of "B+."

**Myth #2: Big Government Programs Are Needed to Eliminate Illiteracy.**

Over the past decade, stacks of reports have documented America's illiteracy crisis. An estimated 27 million American adults are believed to be unable to read well enough to understand newspaper articles and official forms.

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25 John E. Chubb and Terry M. Moe, *Politics, Markets and America's Schools* (Washington, D.C.: The Brookings Institution, June 1990), p. 140.

26 *Ibid.*, pp. 78-99.

27 *Ibid.*, p. 82.

For years the federal government has been trying to educate illiterate adults. At the state level, basic skills instruction and job training programs have expanded rapidly. And business, of course, has been spending increasing sums on remedial education.

Still, the incidence of illiteracy seems immune to these efforts. This prompts yet louder demands for government to "do something" about illiteracy. Example: Senator Paul Simon, the Illinois Democrat, and Representative Thomas Sawyer, the Ohio Democrat, this year introduced the National Literacy Act. The bill, which failed to pass in the 101st Congress, would have spent an additional $900 million on unproven programs and increased federal involvement in literacy efforts. This would merely duplicate existing underutilized programs.

**Motivation Key.** Many of America's nearly 4,200 adult illiteracy programs are not filled to capacity, according to many experts, because adult illiterates do not want to attend the classes. It is estimated that only between 5 percent and 10 percent of adult illiterates are actually enrolled in a literacy program although they are widely available. Among those that do enroll, the dropout rate is between 50 percent and 70 percent.[28] Joy Rogers, a professor of counseling and educational psychology at Loyola University in Chicago, has worked with illiterates for ten years and has found that motivation is key to success.

As with other aspects of the education crisis, spending more is not the answer. Educators such as Jaime Escalante, the calculus teacher in Los Angeles, and Marva Collins, the former Chicago public school teacher who opened her own academy, very successfully have educated those who come from disadvantaged backgrounds and on whom government programs had given up. Escalante, Collins, and other educators are motivated by their belief that all children can learn and their efforts demonstrate that at-risk children are not doomed to failure and illiteracy.

Of course, illiteracy programs would be unnecessary if schools insisted that children learn to read and write before being passed on to the next grade. In California and some other states, however, it is illegal to retain a student in a grade below his age group, whether or not he has gained the necessary skills to move on. Too often the incentive is to promote children, not to teach them.

Finally, of course, the illiteracy crisis is merely a symptom of a failing public school system. This root cause is ignored by even the most successful adult literacy program.

### Myth #3: The High School Dropout Rate Is A National Crisis.

When George Bush and the nation's 50 governors met in September 1989 and set six national goals for education, the second goal was that the high school completion rate would be raised to 90 percent by the end of the decade. Immediately,

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28 Meredith Bishop, from a forthcoming article in *Policy Review*, Number 55, Winter 1991.

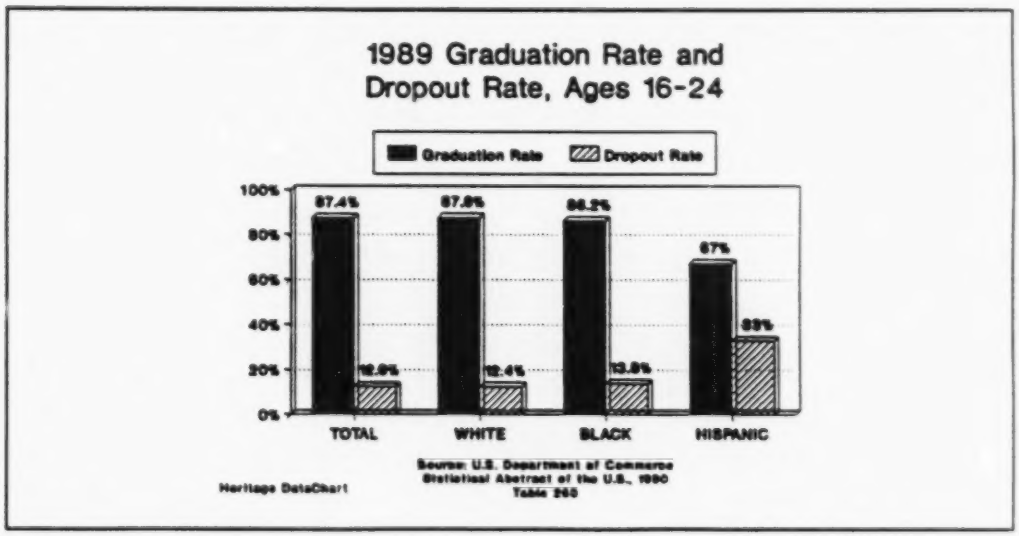
professional educators reflexively warned that this goal unlikely would be met without vastly expanding dropout prevention programs.

The truth is, the goal already is well on the way to being met. Ostensibly the national dropout rate is an alarming 28.4 percent, unchanged since the late 1960s. Yet this is not the dropout rate, but the rate of those not graduating "on-time" by age 18 or 19.

**Confusing Calculation.** "Official" dropout rates typically are taken from the U.S. Department of Education's annual State Education Performance Chart, commonly know as the "Secretary's Wall Chart." These data are compiled from graduation estimates reported by education agencies in each state and the District of Columbia. Estimates of graduation rates are reported as the percentage of ninth grade students who graduate within four years. Calculated in this way, the average national graduation rate of 18- to 19-year-olds was 71.6 percent. From this, simple arithmetic yields a national dropout rate of 28.4 percent.

Defining dropouts in this manner, however, ignores those students who are still enrolled in school, but have not graduated. More important, it ignores those students who leave but subsequently do complete their education. To make matters more confusing, state education departments do not use uniform criteria to count graduates.

A more appropriate definition of the dropout rate is that used by the U.S. Census Bureau's Current Population Survey. It defines the dropout rate as the percentage of all 16- to 24-year-olds who have not graduated and are not currently enrolled in school or an equivalency program. Using the Census Bureau's defini-



tion, the Department of Education's National Center for Education Statistics estimates the dropout rate at just 12.6 percent and the high school completion rate at a record high of 87.4 percent.[29]

The dropout picture thus is not as bleak as usually portrayed. Yet the rate still is too high. To reduce it further, business leaders should insist on education policies that give "at-risk" students who drop out the chance to choose a different school. Dropouts willing to return to school should have the same opportunity. The most successful choice strategy for luring dropouts back to the classroom is Minnesota's High School Graduation Incentives program, which allows high school students to attend a school outside their resident district. In 1987, the program's first year, over 1,500 students enrolled in it. More than half of these were re-enrolled dropouts.

### Myth #4: Children in Poverty Need Early Childhood Education

Almost 90 percent of American five-year-olds now attend kindergarten, although such schooling is compulsory only in a handful of states. In recent years there has been growing interest by states in providing formal education for four-year-olds. Over half of the states fund pre-kindergarten programs, mainly compensatory programs for disadvantaged children.

The business community tends to share the enthusiasm for early education programs, due in large part to the belief that these programs have long-term educational benefits which more than repay the taxpayer's investment. Supporters of such programs invariably claim that $1 invested in preschool education saves as much as $6 in future costs of special education, teen pregnancy, welfare, and crime. This impressive financial equation, regrettably, is not supported by research on the benefits of early compensatory education programs.[30]

About 460,000 children, of whom 80 percent come from families below the poverty line, attend Project Head Start, the federally funded compensatory preschool program. This program provides health, nutrition, and educational services to youngsters aged three and four. In 1985, exactly two decades after the program's inception, results of the most comprehensive study ever on the effects of Head Start were released.[31] The chief findings: although children show sig-

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29 Phillip Kaufman and Mary Frase, *Dropout Rates in the United States: 1989*, U.S. Department of Education, National Center for Education Statistics (Washington, D.C.: Office of Educational Research and Improvement, September 1990), p. 11.

30 Ron Haskins, "Beyond Metaphor: The Efficacy of Early Childhood Education," *American Psychologist*, February 1989, pp. 274-282.

31 U.S. Department of Health and Human Services, Head Start Synthesis Project, *The Impact of Head Start on Children, Families, and Communities*, June 1985.

nificant immediate gains when they are enrolled in Head Start, "by the end of the second year [of elementary school] there are no educationally meaningful differences on any of the measures."[32] Besides short-lived educational improvements, the study found only short-term gains with respect to self-esteem, achievement motivation, and social behavior.[33] The meaning of this comprehensive study: There is no measurable mid-term or long-term benefit from Head Start.

The only significant study apparently disputing this startling finding is a 1985 study of a single program – and the results of the study have never been replicated. This study was of the Perry Preschool Program in Ypsilanti, Michigan. It tracked 123 black youths into young adulthood and concluded that the 58 students who had attended the high-quality preschool program at ages three and four benefitted over the long-term.[34] This Perry study of only 58 graduates of one experimental preschool program stands in stark contrast to studies that have examined the records of millions of children and found that they have enjoyed no long-term success after their Head Start experience.

**Head Start Damages.** Many experts, meanwhile, caution that compulsory early schooling may harm middle-income children.[35] For example, Edward Zigler, Director of Yale University's Bush Center in Child Development and Social Policy and the architect of Head Start in the 1960s, criticizes universal preschool education as a "misguided enterprise" that does not improve the quality of education.[36] Although a proponent of compensatory education with comprehensive health and family services for poor youngsters, Zigler believes it is a "fundamental error" to advocate the educational component for middle-class students. "Those who argue in favor of universal preschool education," says Zigler, "ignore the evidence that indicates early schooling is inappropriate for many four-year-olds and that it might even be harmful to their development."[37]

The business community should recognize that preschool programs are not the answer to the deficiencies of America's public schools. Quality is the problem, not quantity. Providing education programs at an earlier age is no substitute for improving the quality of public education.

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32 *Ibid.*, p. 8.

33 *Ibid.*, pp. IV8-IV11.

34 J.R. Berrueta-Clement, L.J. Schweinhartt, W.S. Barnett, A.S. Epstein, and D.P. Weikert, *Changed Lives: The Effects of the Perry Preschool Program on Youths Through Age 19* (Ypsilanti, Michigan: High/Scope 1985).

35 David Elkind, "Formal Education and Early Childhood Education: An Essential Difference," *Phi Delta Kappan*, May 1986, p. 632.

36 Edward Zigler, "A Few Words of Caution on Schooling the Very Young," *The New York Times*, May 5, 1985.

37 *Ibid.*

### Myth #5: Only Traditionally Certified Teachers Should Teach

Every state requires some form of certification of those who want to teach in the public schools. This usually means, at minimum, earning an undergraduate degree in education and, frequently, an advanced degree from a college of education. These requirements are burdensome and expensive and discourage many potentially excellent teachers from pursuing a career in public schools. Recognizing this, many states are considering "alternative" routes to certification. Every state except Alaska, North Dakota, and Rhode Island is considering allowing individuals to obtain a teaching certificate although they do not complete a traditional education degree. An estimated 33 states now claim to have introduced alternative routes to certification.[38]

These alternatives vary widely, but usually involve waiving most education course requirements in lieu of serving an "apprenticeship." Typically, these apprenticeships involve actual teaching in a classroom with periodic supervision from a certified teacher. Yet, according to C. Emily Feistritzer, Director of the Washington, D.C.-based National Center for Education Information, access to the teaching profession remains restricted for alternatively certified professionals even in those states that say they have alternative certification programs. According to Feistritzer, only Connecticut, New Jersey, and Texas have such programs available in all academic subjects and at all grade levels. Other states prohibit alternative-certified teachers from teaching at the elementary level, or hire them only if there is a shortage of traditionally certified teachers.

**Knowledge Gaps.** The tedious curriculum in most colleges of education discourages prospective teachers from pursing a teaching career. A recent study of teacher education by John I. Goodlad, a professor of Education at the University of Washington and Director of the Seattle-based Center for Education Renewal, recommends that prospective teachers spend more time on courses outside the traditional teacher education curriculum. Students who earn a bachelor's degree in education without having studied subjects like history or mathematics, the study says, will have serious gaps in general knowledge that will reduce their effectiveness as teachers.[39] A *USA Today* poll this year finds that nearly half of all teachers selected as "Teachers of the Year" felt their training was inadequate, emphasized too much unnecessary theory, and included too little classroom experience.

It is estimated that by the year 2000 America's colleges of education will produce less than half of the science and mathematics teachers needed in the U.S. This looming teacher shortage should not be viewed as a dearth of talented individuals willing to teach, but rather as a shortage of people willing to pursue the

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38 C. Emily Feistritzer, *Alternative Teacher Certification: A State by State Analysis 1990* (Washington, D.C.: National Center for Education Information, June 1990), p. 5.

39 *Ibid.*, p. 8.

traditional certification routes. Say Brookings scholars Chubb and Moe: "American society is full of people who could make excellent teachers, but burdensome certification requirements are the best way to ensure that most of them never teach."[40] In fact, Feistritzer's survey finds that a wide variety of those with professional backgrounds would become teachers if the process were less cumbersome. Among those expressing the greatest interest are retired military personnel, private-sector scientists, and engineers and former teachers who want to return to the classroom.

**New Jersey Success.** In the mid-1980s, New Jersey pioneered one of America's most widely-publicized alternative certification programs. Through this program, professionals who have a bachelor's degree but lack a traditional teaching certificate qualify to teach by passing a basic skills test and serving a one-year classroom apprenticeship. They also must complete a minimum number of pedagogy, or "teaching method," courses from an accredited college. Since 1985, the number of New Jersey's teacher applicants has doubled, while the quality of the applicants has improved. The number of minority individuals entering the profession through New Jersey's program was double the number of the existing teaching force.[41] Alternatively certified teachers in New Jersey scored higher on the National Teachers Examination than their traditionally certified counterparts.

While teachers unions insist that prospective teachers must be taught "how to teach," little evidence exists to support their claims that courses in teaching are important to their job – and less still that education college courses do much to improve the quality of teaching. Without pressure from business leaders, it is unlikely that additional states will adopt the New Jersey route. If managers had to be certified by management colleges before a business could hire them, U.S. firms would be clamoring today for "alternative certification," pointing out that traditional certification was stifling the supply of good-quality applicants for jobs. They would also no doubt demand action to break up the cartel on supply imposed by the business colleges. This is exactly what is happening in public school education.

### Myth #6: School-Based Management Is A Panacea

Research on effective schools consistently has found that autonomy for school principals and teachers, and localized decision-making are the most important school-related factors affecting student achievement. In the best schools, teachers are actively involved in designing the curriculum and have direct control over their classroom. A key element in effective schools is the tendency for principals and teachers to reach out to parents and encourage their support and be responsive to their concerns. Parental involvement need not imply that parents help design specific policies, but that parents can pressure schools for changes, and that schools have the flexibility to respond to valid concerns. This sort of local con-

40 Chubb and Moe, *op. cit.* p. 196.

41 Carolyn Lochhead, "The ABCs of Reform: Give Parents a Choice," *Insight*, September 24, 1990, p. 12.

trol used to typify the American school. When bureaucracy increasingly assumed control of school functions, school autonomy and parental involvement became obsolete. Today, there is enormous interest in returning local authority to schools. But just how to accomplish this is a subject of debate.

The term "school-based management" has gained currency in recent years. Educators and reformers generally agree that the local autonomy implied by the term is desirable, and seek a return to the type of local control that schools once enjoyed. But there is disagreement about how to empower local school officials and parents. Policy makers must recognize that such local control can benefit schools, but without a mechanism to hold schools accountable, there will be little improvement. Business leaders must also recognize that education groups wholeheartedly endorse school-based management, and claim it has the power alone to spark school improvement.

**Local Experiments.** The most comprehensive school-based management program in the country is in Chicago, where 570 separate school councils were created in 1989. Each council is responsible for running its own school. Councils include the school's principal, teachers, and parents. They are responsible for decisions over curriculum, budgeting, and personnel. Since the Illinois Supreme Court has ruled that the composition of local councils violates the constitutional "one man, one vote" provision because parents occupy more seats, the councils will be reshaped to comply with the ruling. This, however, will put parents in the back seat again and reduce the councils' effectiveness.

Other large school districts, such as Dade County, Florida, and Rochester, New York, have experimented with similar changes in management. The Dade County Public School system, which includes Miami, has had school-based management since 1974. Because of its success in raising teacher morale, the Dade County system has been praised as a model program.

But school-based management is fast becoming a reform to help teachers, not parents, in the system. In the Rochester New York Unified School District's two year-old plan, for example, teachers have gained greater control over daily school operations; critics claim that parents have been excluded from decisions regarding curriculum and other activities and are restricted to advisory roles. While many believe school-based management is helpful in restoring some form of local control to the schools, Rochester has yet to see the increased parental involvement necessary for true local control.

**Burdensome Regulations.** Despite the success some of these plans, school-based management alone cannot improve educational quality. School-based management is intended to help "deregulate" the schools from increasing state and federal intervention. Yet, as a precondition for school-based management programs, some states actually have increased the regulation of the schools to "ensure" that the policies are working. Dade County school councils, for instance, remain subject to all state mandates and must meet burdensome state reporting requirements.

Even in states that do not impose additional regulation, school-based management can only provide flexibility – half the equation needed for effective schools. Giving parents the right to choose among schools is the necessary other half of the equation. It is competition and the need to attract parents for schools to remain in business that stimulates reform in each school. School-based management gives principals, teachers, and administrators the flexibility to respond to that competition.

## CONCLUSION: THE AGENDA FOR BUSINESS

Corporate executives know that competition is the key to success in the marketplace, and business leaders increasingly are recognizing that America's public school monopoly could benefit from a dose of such competition. Reforms of the last ten years to improve education have failed. So have numerous dropout programs, early education initiatives, literacy assaults and more money. It is no wonder that consumers are frustrated with the poor quality product they are receiving from the existing public school monopoly.

Bold action is necessary. Says Xerox CEO David Kearns, "The task before us is the restructuring of our entire public school system. I don't mean tinkering. I don't mean piecemeal changes or even well-intentioned reforms. I mean the total restructuring of our schools."[42]

The only reform that has worked to date is offering consumers greater choices. Those school systems that have changed policies to make their institutions respond to parents have achieved enormous success.

**Market Competition.** The principal tools for promoting educational choice include magnet schools, open enrollment, tuition tax credits and vouchers. While the first two options limit choices to public schools, tax credits and vouchers extend choices to both public and private schools.[43] Essentially, choice seeks to force schools to improve through market competition by allowing parents to choose their child's school. Schools that offer quality education will survive and prosper because they will attract consumers (parents and students). Poor schools will be forced to improve or close. Massive evidence exists on the merits of choice. Where it has been tried, schools have worked to meet parents' demands for quality, just as competition in business creates better and more diverse products.

Grassroots support for educational choice is also growing. In a Gallup Poll for *Phi Delta Kappan* magazine, this September, 62 percent said they supported giving parents the right to choose their child's school.

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42 David Kearns and Denis Doyle, *Winning the Brain Race: A Bold Plan to Make Our Schools Competitive* (San Francisco: Institute for Contemporary Studies, 1988), p. 2.

43 For a full description of the different choice strategies, see Clint Bolick, "A Primer on Choice in Education: Part I - How Choice Works," Heritage Foundation *Backgrounder* No. 760, March 21, 1990.

**Parental Choice in Milwaukee.** In the most comprehensive parental choice plan to date, up to 1,000 low-income children in the Milwaukee Public Schools can attend any private, non-sectarian school of their choice. Championed by State Representative Annette "Polly" Williams, a former Jesse Jackson campaign manager, the plan gives these students $2,500 in state aid. Following an unsuccessful lawsuit filed by the state teacher's union and the local chapter of the NAACP, over 400 children began school this September at a school of their choice. These students are now leaving the failing public schools to attend inner-city schools like the Urban Day school which, since 1967, has provided poor children with a quality education. Over 98 percent of Urban Day's students graduate and over 50 percent go on to college.[44]

Despite the plan's popularity and the court's decision that the plan is constitutional, opponents successfully challenged the plan in the state's appellate court, on the technicality that the legislation creating the plan was improperly attached to a state budget bill. The appellate court expressed the hope that the State Supreme Court would consider the plan on its merits when it considers an appeal early next year.

What makes the Milwaukee plan unique is that state funds "follow" students who decide to leave the public schools. This financial incentive makes it necessary for each school to compete for students through improving the quality of their "product." Williams began her campaign for choice by demanding that her low-income constituents be given the same opportunity that more affluent Americans have in choosing their child's school.

**Improving Black Opportunities.** There is a growing recognition that efforts to comply with court-ordered desegregation through forced busing have been unsuccessful in improving the educational opportunities of black Americans. Increasingly, the black community in cities like Milwaukee and Detroit is endorsing choice as the only real way to improve educational quality. Under the current system, with both "revenues" and "customers" guaranteed, the public school system has little incentive to improve.

In places like New York City's East Harlem School District #4 and Minnesota, education choice is improving the quality of education by forcing schools to meet parental demands. Say Brookings authors Chubb and Moe: "We think reformers would do well to entertain the notion that choice is a panacea....Choice is a self-contained reform with its own rationale and justification. It has the capacity all by itself to bring about the kind of transformation that, for years, reformers have been seeking to engineer in myriad other ways."[45]

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44 Zakiya Courtney, sworn affidavit in *Lonzetta Davis, et al. v. Herbert J. Grover*, State of Wisconsin, Dane County Circuit Court, July, 1990.

45 Chubb and Moe, *op. cit.*, p. 217.

Indeed, choice has transformed some school systems. Example: Since 1973, the graduation rate in New York City's East Harlem school district increased from less than 50 percent to more than 90 percent. The district, which ranked last out of New York City's 32 school districts on basic skills tests, now ranks 16th.

**Unique Position.** Business should insist on educational choice as a condition for their monetary investment in the schools. They should educate community leaders and parents about the myths pervading the education reform debate. They should arm legislators who are pressured by opposition in the education establishment with support for choice legislation. While the opposition is formidable, business leaders must challenge conventional wisdom with the facts, and insist on educational choice. Business' experience with responding to consumer demand makes it uniquely positioned to lead this battle. Only with business mobilized will American education be reformed.

Jeanne Allen
Policy Analyst
Editor, *Business/Education Insider*

Michael J. McLaughlin
Research Assistant

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